

The Files

4 October 1957

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IS-5 Production

1. TSS has received a proposal from the [REDACTED] Company for the production of the IS-5 Short Range Infrared Set. Costs involved are as follows:

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Quantity	Unit Cost
84 to 199	\$1,483.31
200 to 500	\$1,227.00

Spare part costs are included in the above quotation and amount to \$132.64 per unit for the less than 200 quantity and \$116.00 per unit for the 200 to 500 quantity. Additional charges include \$19,580.67 for Engineering Revisions and \$28,433.99 for tooling.

2. The delivery schedule allows two months for Engineering Revisions with equipment delivery to follow ten months later. [REDACTED] will be asked to make a partial delivery within six months.

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3. TSS will again bring this equipment before their declassification Board in order to provide advice with respect to military handling of this unit which is currently classified SECRET.

4. Informal advice is that a contract will be awarded within two weeks and a quantity of 100 units will be sought. The Office of Logistics will be consulted about funding.

5. In a demonstration of the IS-5 to the Chief Signal Officer Department of the Army, and the Assistant Chief of Staff, Intelligence, Department of the Army it was indicated that the unit cost of the IS-4 was approximately \$1,500. Subsequently the Office of the Chief Signal Officer advised of a requirement for 24 units. If Engineering Revision and tooling costs are to be prorated for 100 units, the unit cost would then become \$1,963.45. What unit cost should be referred to the Office of the Chief Signal Officer in completing funding arrangements?

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OC-E/R+D-EP/CEM:mjr (4 Oct. 57)cc:R+D Subject File/Monthly Report/R+D Lab/
O+T-SB/R+D Chrono/EP Chrono